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October 17, 2017

The Honorable Elaine Chao
Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Secretary Chao:

I write regarding the recent revelations of Kobe Steel's staggering corporate cover-up scandal. By Kobe Steel's own admission, the company and at least four of its international subsidiaries have falsified data and failed to perform required quality checks for products dating back more than a decade. It is estimated that Kobe Steel provided substandard aluminum, copper, and steel to about 500 companies, including aircraft, car, and train manufacturers. These companies – spanning across the transportation sector – manufacture products to exacting specifications, and for which any deviations can have serious safety consequences.

In light of the massive potential impact of Kobe Steel's fabrication on consumer and passenger safety, I urge the Department of Transportation (DOT) to immediately investigate Kobe Steel's actions. As you may know, the Department of Justice has already initiated requests for information from Kobe Steel. I urge you to also request information and launch an investigation so that your Department can evaluate whether Kobe Steel's concealment has compromised our transportation systems. The DOT has a duty to protect all passengers – whether traveling by car, air, or rail – from the safety consequences of such intentional and fraudulent deception.

Although Kobe Steel is a Japanese company, it appears that the company's concealment almost certainly harmed U.S. consumers directly. Six of Kobe Steel's top seven customers are automakers – Mitsubishi, Toyota, GM, Ford, Nissan, and Honda. Two of these are U.S. automakers and the other four have substantial manufacturing and/or sales in the United States.¹ While I am aware of no company having yet flagged serious safety concerns as a result of the compromised metal products supplied by Kobe Steel, it may take time for such defects to be realized or for the safety issues to manifest. Regardless of whether or when such safety concerns become noticeable, this doesn't change the fact that U.S. companies paid for quality products not received. With at least six automakers affected by this scandal, it is highly likely many consumers who purchased vehicles in the past ten years were harmed by Kobe Steel's deceit.

¹ Lewis, L. et al. (2017 October 15). Kobe Steel scandal strikes another blow to Japan Inc. *The Financial Times*. Retrieved from <https://www.ft.com/content/054b9260-b18b-11e7-a398-73d59db9e399>

Accordingly, I further ask that you immediately coordinate recalls for any safety defects you uncover.

Thank you in advance for your prompt attention to this important matter potentially compromising consumer and passenger safety. I respectfully request a response no later than November 10, 2017.

Sincerely,



Richard Blumenthal
United States Senate